

SECTION V - OWNERSHIP AND ACQUISITION OF CCI

30. General. This section describes the criteria for **CCI** ownership and the requirement and procedures for acquiring **CCI** equipment directly from NSA authorized vendors in support of U.S. Government contractor's secure communications requirements. It's recognized that there may be a distinction between the owner and the actual user of the **CCI** equipment. The Information Systems Security Products and Services **Catalogue** contains a list of **CCI** equipment available for direct acquisition.

31. Ownership Categories. The currently available Government-Furnished Equipment (**GFE**) mechanism does not **alone** provide flexibility to satisfy the requirement to provide secure communications for U.S. Government contractors as directed in the provisions of **NACSI** 6002. This necessitated that new options become available for acquiring and owning **CCI** equipment. The ownership categories are described **below**:

a. Government-owned:

(1) **CCI** equipment purchased by a U.S. Department or Agency and furnished to a contractor as **GFE** as defined in Federal Acquisition Regulation (**FAR**) 45.101(a).

(2) **CCI** equipment purchased by a contractor upon authorization from a Government Contracting Officer and charged to a contract(s) which requires the securing of classified information and/or securing or protecting unclassified but sensitive Government information. This equipment is designated as Contractor-Acquired Property (**CAP**), as defined in **FAR** 45.101(a).

b. Contractor-owned: **CCI** equipment purchased by a contractor as plant equipment, as defined in **FAR** 45.101(a).

32. Criteria for CCI Equipment Ownership Eligibility. Authorization to acquire **CCI** equipment and associated materials as plant equipment is an administrative determination by **NSA/DDI** that the contractor is eligible, from a security viewpoint, to own **CCI** equipment. **CCI** equipment ownership is limited, as follows:

a. **Any** U.S. Government Department or Agency may purchase and own **CCI** equipment.

b. U.S. Government contractors may purchase and own **CCI** equipment, as follows:

(1) Authorization to acquire **CCI** equipment as plant equipment **will** not be granted to contractor activities located outside the U.S., Puerto Rico, or a U.S. possession or trust territory. Eligible U.S. Government contractors may purchase **CCI** equipment and associated materials within the **United** States for use by divisions or operations centers located outside of the U.S. only in accordance with applicable U.S. export regulations.

(2) Authorization to acquire CCI equipment as plant equipment may be granted only to contractors organized and existing under the laws of the U.S. or Puerto Rico. Contractors organized and existing under the laws of a U.S. possession or trust territory may not be authorized to acquire **CCI** equipment as plant equipment, except with the prior approval of the **NSA/DDI** based on a case-by-case review in accordance with applicable guidelines.

(3) Contractors which are determined to be under foreign ownership, control or influence (FOCI) are not authorized to acquire CCI equipment as plant equipment except when there has been a specific determination by the Director, NSA, that authorization of the contractor to purchase CCI equipment as a capital asset will serve the national interests of the U.S.

33. Requirements and Procedures for Contractor Acquisition of **CCI** Equipment.

a. When the **CCI** equipment is to be purchased as Contractor-Acquired Property, the following requirements and procedures will be followed:

(1) Each existing contract or future contract which requires the transmission of classified or sensitive Government information must contain a specific statement of any requirement for securing or protecting telecommunications.

(2) The contractor and the appropriate CO(s) **shall** negotiate agreements applicable to the treatment of the costs under existing or new contract(s) requiring the securing or protection of telecommunications. If it is determined that the costs **will** not be directly charged to the contract, then the procedures for Contractor-Owned Property apply (see subparagraph b, below) .

(3) The contractor will initiate a **letter** to NSA, ATTN: Y131, requesting eligibility to directly procure the desired **CCI** equipment. The letter will indicate the contract(s) to which the equipment will be charged, the type of equipment, and the location(s) where the equipment will be installed. If the requesting contractor is cleared, the letter will contain the requesting facility's CAGE code and the full name, address, and CAGE code of its corporate headquarters or parent company, if any. If a **COMSEC** account is in place at the facility, or if an existing **COMSEC** account is available to support the requirement, the letter will include that information. If not, a statement must be made that the facility **will** initiate a request for the establishment of a **COMSEC** account (see Section 111 for the proper procedures). The contractor will arrange for and submit along with the letter to NSA, a properly completed Contracting Officers Authorization to Purchase form (see Appendix IV to this Supplement).

(4) Upon receipt of the aforementioned letter, NSA will determine the requester's eligibility to procure the **CCI** equipment and will notify the contractor in writing. The contractor will also be required to furnish to NSA a properly executed **CCI Control Agreement**, a copy of which is contained in Appendix III of this Supplement.

b. When the **CCI** equipment is to be purchased as plant equipment/Contractor-Owned Property, the following requirements and procedures must be followed:

(1) The contractor will initiate a letter to NSA, ATTN: Y131, requesting eligibility to procure as plant equipment the desired CCI equipment. The letter must confirm that the facility desiring to own the CCI equipment is performing or will be performing under a U.S. Government contract at the time of the CCI equipment delivery. 1/ The letter must indicate the type of equipment and the locations where the equipment(s) will be installed. The letter will also contain the requesting facility's CAGE code, if any, and, when applicable, the full name, address, and CAGE code of its corporate headquarters or parent company. If a COMSEC account is in place at the facility, **or if** an existing COMSEC account is available to support the requirement, the letter will include that information. If not, a statement must be made that the facility will initiate a request for the establishment of a COMSEC account (see Section III for proper procedures).

(2) Upon receipt of the aforementioned letter, NSA will determine the requester's eligibility to procure the CCI equipment and will notify the contractor in writing. The contractor will also be requested to furnish to NSA a properly executed CCI Control Agreement, a copy of which is contained in Appendix III to this supplement.

34. Contractor Certification to the Authorized Vendor. After the contractor's eligibility has been determined by NSA and the requirements outlined above have been fulfilled, the contractor will certify his eligibility to the Vendor and provide the Vendor with his COMSEC account number, shipping address, and the address of the appropriate COR.

35. Authorized Vendor Responsibilities. Prior to shipment, the Vendor must confirm with NSA the eligibility of the contractor to receive CCI equipment, and verify the COMSEC account number with the appropriate COR. If shipment is direct to a **subaccount**, the account number and shipping address must be verified with the primary COMSEC account. If the shipment is to a Military Logistics System account, verification must be obtained from the cognizant Military Accounting Headquarters. This step must be completed for each and every sale.

1/ In many instances, there is no current contract between a corporate headquarters office and the U.S. Government; however, it is often necessary for the corporate office to be in secure communication with its subordinate offices which are performing under a U.S. Government contract in order to discuss the program under contract. The Government, therefore, encourages corporate offices to own CCI equipment for the purpose of securely communicating with their subordinate offices, whether to discuss sensitive government programs or company proprietary information, providing that: the corporation is not under FOCI; there is a current U.S. Government contract in place at one of the subordinate offices; and, if the keying material to be employed is classified, that the corporate headquarters has been granted a facility clearance commensurate with the level of the key.